

# FINANCE AND ADMINISTRATIVE SERVICES DEPARTMENT

The Finance and Administrative Services Department is responsible for administration of the financial affairs and internal support activities of the City; provision of financial support services to all City departments and programs; management of the annual independent audit; and administration of the Information Services, Document Processing, Purchasing and Risk Management functions. The department also provides staff support to the Council Finance Committee, Investment Review Committee and the Council Technology Committee.

## ADMINISTRATION

Administration is responsible for the management of the Finance and Administrative Services Department.

## FINANCIAL MANAGEMENT DIVISION

The Financial Management Division consists of the Budget and Analysis, Treasury, Payroll and Revenue functions.

The Budget and Analysis Section provides analytical and informational support to the City Council and other City departments as needed. This section analyzes economic trends and forecasts revenues, expenditures and balances for the current year as well as future years. In addition, Budget and Analysis manages the budget system and produces the Narrative, Proposed and Adopted Budget documents.

The Treasury Section is responsible for cash flow and portfolio management, investment of City funds and monitoring of special assessment districts.

The Payroll Section processes timecards; payroll documents and biweekly payroll for all City employees; and prepares reports relating to retirement, insurance, deferred compensation and taxes.

The Revenue Section processes billing and collection for the City's water, wastewater and solid waste utilities; business licenses; and miscellaneous accounts receivable. All moneys due to, or collected by, other City departments are forwarded to this section for deposit and tracking in the City's financial system. In addition, this section is the Finance and Administrative Services Department's primary customer service contact point.

## ACCOUNTING DIVISION

The Accounting Division manages and maintains the general accounting and financial records of the City. This division is also primarily responsible for the external audit of the City's financial records and preparation of the Comprehensive Annual Financial Report. The Accounts Payable function within the Accounting Division matches and reconciles all invoices, purchase requisitions, purchase orders, contracts and agreements prior to processing payments of City obligations.

## ADMINISTRATIVE SERVICES DIVISION

The Administrative Services Division manages centralized information systems, support services and purchasing activities of the City.

The Information Services Section plans, maintains and manages the City's computerized information systems and communication networks. Services include systems analysis and design, project management, programming, computer operations, training, computer equipment maintenance, software selection and vendor management.

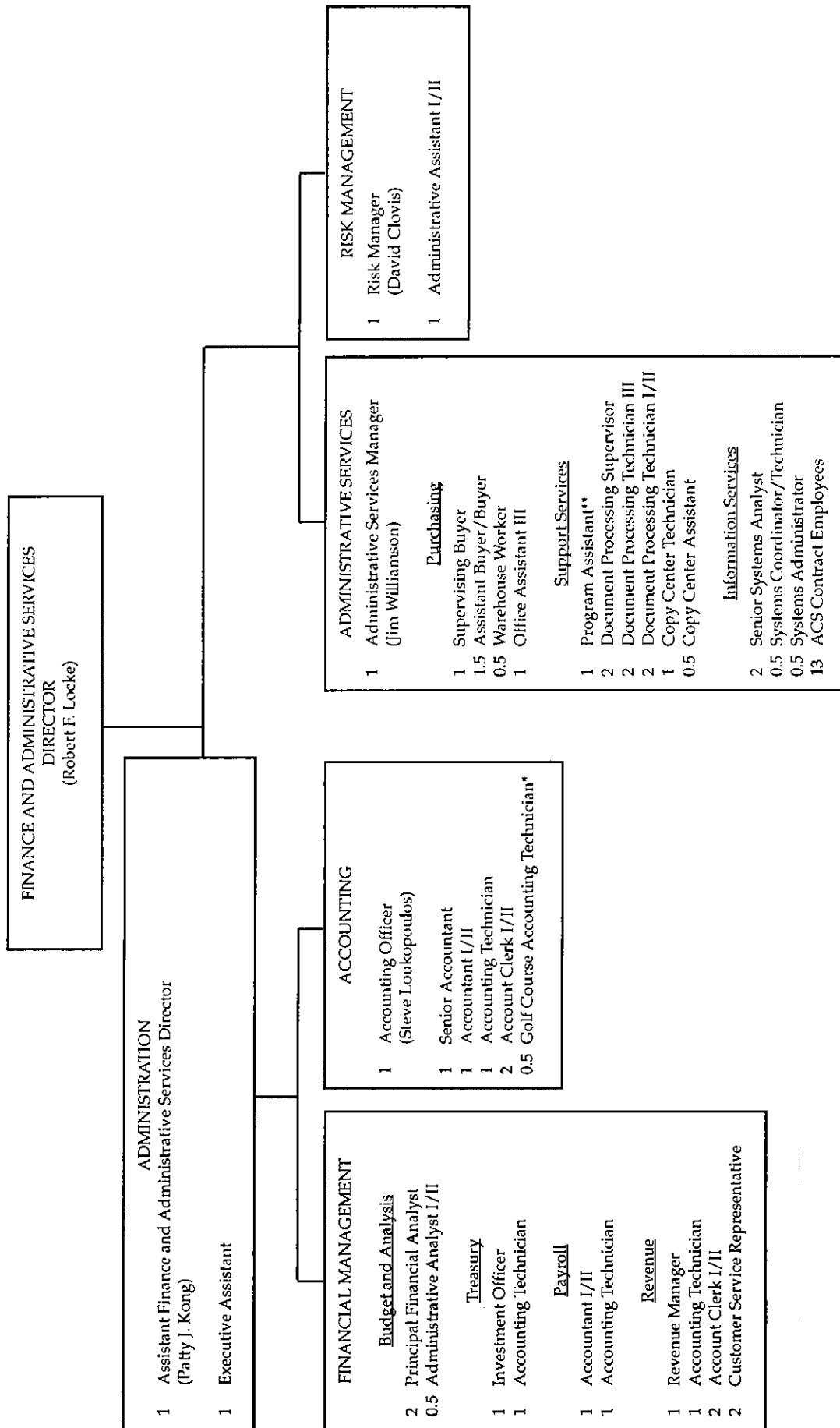
The Support Services Section provides document processing, graphic design, printing, document reproduction, telecommunications and other administrative services to City departments.

The Purchasing Section assures acquisition of price-competitive equipment, services and supplies for City departments. Other services include issuing requests for bid; vendor selection; equipment, supplies and mail delivery; warehousing of operating inventories; training; and sale of surplus equipment.

## RISK MANAGEMENT DIVISION

Risk Management is responsible for managing the City's loss control and risk reduction programs. The City's risk exposures are managed by acquiring insurance, requiring vendors to have insurance and assisting in the maintenance of a safe workplace. This program encompasses the City's comprehensive general liability; property; loss control; workers compensation; long-term disability; and unemployment programs, including the City's self-insurance reserves and excess catastrophic coverage. Risk Management is also responsible for State and OSHA reports and provides guidance to City departments in determining insurance requirements for contracts.

# FINANCE AND ADMINISTRATIVE SERVICES DEPARTMENT



FISCAL YEAR 2002-03 POSITION TOTALS: 37.0 Full-Time  
3.0 Permanent Part-Time  
13.0 Contract

\*Located in the Finance and Administrative Services Department but budgeted in the Community Services Department.  
\*\*Unfunded .50 Program Assistant position for Fiscal Year 2002-03.

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## FINANCE AND ADMINISTRATIVE SERVICES DEPARTMENT SUMMARY

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### DEPARTMENT MANAGER—FINANCE AND ADMINISTRATIVE SERVICES DIRECTOR

#### DEPARTMENT MISSION STATEMENT

To support the planning and management of the City's fiscal affairs and to provide internal administrative services to all City departments.

#### DEPARTMENT FUNCTIONS

- Plan, monitor and report in a timely and accurate manner the City's financial and budgetary position; provide financial analysis and recommendations on major issues facing the City. (M 1)
- Manage the City budget process and produce the annual City budget.
- Manage investment of City funds with the objectives of meeting cash flow requirements and minimizing risk while earning market rates of return. (M 2)
- Manage the City's debt obligations, including special assessment debt; monitor and manage the City's credit rating; recommend and supervise issuance of new debt as appropriate.
- Provide timely, accurate and cost-efficient payroll processing. (M 3, 4, 5)
- Process and collect charges for utility and miscellaneous services, providing a high level of accuracy and customer service to residents and businesses. (M 6, 7)
- Manage the City's centralized financial and budgetary control systems, delivering accurate and timely processing of financial transactions and on-time information. (M 8, 9, 10)
- Manage the City's annual independent audit and preparation of the Comprehensive Annual Financial Report, required State reports and other reports as necessary.
- Provide centralized purchasing services and sale of surplus equipment. (M 11, 12)
- Manage and support the planning, development, operation and enhancement of information systems, providing a reliable City-wide network, electronic mail, public access, City Internet web site, microcomputer support and technical support of computer applications in City departments. (M 13, 14)
- Provide centralized document processing, document reproduction and voice mail services. (M 15, 16)
- Manage the City's comprehensive general liability, property, loss control, Workers' Compensation, long-term disability and unemployment insurance programs, including self-insurance programs and excess insurance for catastrophic loss coverage. (M 17, 18, 19)

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## FINANCE AND ADMINISTRATIVE SERVICES DEPARTMENT SUMMARY

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### MAJOR DEPARTMENTAL GOALS/STRATEGIES FOR FISCAL YEAR 2002-03

- Coordinate and manage preparation of Fiscal Year 2003-04 City budget.
- Complete implementation of financing plan for a new Downtown parking structure, including issuance of long-term debt.
- Complete implementation of financing plan for water system storage capacity expansion and other improvements by issuing debt as appropriate.
- Closely monitor and report on developments at the State and local level affecting City finances.
- In conjunction with the Employee Services Department, implement Phase I of the new HR/Payroll system.
- Manage adjustments to department operations in response to budget reductions.
- Prepare City's Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2001-02 in compliance with new governmental GAAP standards (GASB 34).
- Continue to support the installation of a Maintenance Management System in the Public Works Department and its integration with the City's Geographic Information System (GIS).

### PERFORMANCE/WORKLOAD MEASURES

	2000-01 Target	2000-01 Actual	2001-02 Target	2001-02 Actual	2002-03 Target
<b>Financial Management:</b>					
1. Accuracy of final budget numbers—percent of budget corrections needed due to error	<2%	0.5%	<2%	1.5%	<2%
2. Percent of time portfolio's target of market risk (modified duration) is within 3 percent of the benchmark (policy requires 25 percent of time within 3 percent and 100 percent of time within 15 percent)	>50%	83% <sup>(A)</sup>	>50%	83% <sup>(B)</sup>	>50%
3. Cost per payroll check issued (cost of payroll operation to total paychecks issued)	<\$11.00	\$10.01	<\$11.00	\$10.92	<\$11.00
4. Percent of reissued payroll checks versus total issued	<2%	0.12%	<2%	0.5%	<2%
5. Payroll checks issued	19,750	20,706	20,000	22,067	20,000

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## FINANCE AND ADMINISTRATIVE SERVICES

### DEPARTMENT SUMMARY

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	2000-01 Target	2000-01 Actual	2001-02 Target	2001-02 Actual	2002-03 Target
6. Percent utility bills processed and mailed seven days from last meter reading date	>95%	100%	>95%	100%	>95%
7. Percent of utility and accounts receivable accounts written off as a percent of total receivables	<3%	1.27%	<3%	0.02%	<3%
<b>Accounting:</b>					
8. Percent of correcting accounting entries to total accounting entries	<25%	14%	<20%	13.91%	<20%
9. Percent of month-end closes completed within 10 working days (target assumes July and June will not close within 10 working days due to year-end workload)	>83%	83%	>83%	83%	>83%
10. Cost per vendor check issued	<\$18.10	\$17.12	<\$17.75	\$18.40	<\$20.00 <sup>(C)</sup>
<b>Administrative Services:</b>					
11. Cost of procurement services as a percent of total dollars spent	<4%	3.07%	<4%	3.4%	<4%
12. Percent of time purchase orders issued timely	>75%	87%	>75%	89%	>75%
13. Cost of information services as a percent of total City department expenditures	<3%	1.36%	<3%	2%	<3%
14. Percent of time network is up	>98%	98.6%	>98%	99%	>98%
15. Percent of time Document Processing documents are completed timely	>80%	95.8%	>90%	100%	>90%
16. Percent of time Copy Center documents are completed timely	>80%	99%	>90%	99%	>90%
<b>Risk Management:</b>					
17. Percent of Workers' Compensation program costs to total payroll	<5%	2.3%	<5%	2.24%	<5%
18. Percent of hours lost to occupational injury compared to total hours worked	<1.5%	0.86%	<1.5%	0.87%	<1.5%
19. Percent of dollars recovered compared to expenditures paid to repair damage due to third-party vehicle accidents	100%	100%	100%	100%	100%

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<sup>(A)</sup> In May and June, the City's portfolio duration was within 5 percent of benchmark.

<sup>(B)</sup> In April and May, the City's portfolio duration was within 5 percent of benchmark.

<sup>(C)</sup> Target for Fiscal Year 2002-03 increased due to increased usage in purchasing cards resulting in fewer checks being issued. Department will review this measure during the next fiscal year.

**FINANCE AND ADMINISTRATIVE SERVICES  
DEPARTMENT SUMMARY**

POSITIONS	2000-01 ADJUSTED	2001-02 ADOPTED	2002-03 ADOPTED
Finance and Administrative Svcs Director	1	1	1
Assistant Finance and Admin Svcs Director	1	1	1
Administrative Services Manager	1	1	1
Risk Manager	1	1	1
Accounting Officer	1	1	1
Principal Financial Analyst	2	2	2
Investment Officer	1	1	1
Revenue Manager	1	1	1
Senior Systems Analyst	1	2 *2	2
Senior Accountant	1	1	1
Administrative Analyst I/II	1.50	1.50	1.50
Accountant I/II	1	1	2 *4
Supervising Buyer	1	1	1 *5
Document Processing Supervisor	2	2	2
Assistant Buyer/Buyer	0	0	1.50
Assistant Buyer	0.50	0.50	0 *6
Systems Coordinator/Technician	0.50	0.50	0.50
Systems Administrator	0.50	0.50	0.50
Program Assistant	1	1	1 *7
Accounting Technician	5	5	4 *4
Account Clerk I/II	4	4	4
Document Processing Technician III	2	2	2
Document Processing Technician I/II	3	3	2 *8
Storeskeeper/Buyer	1	1	0 *6
Warehouse Worker	0.50	0.50	0.50
Executive Assistant	1	1	1
Copy Center Technician	1	1	1
Copy Center Assistant	0.50	0.50	0.50
Customer Service Representative	2	2	2
Office Assistant III	1	1	1
Total Permanent	40	41	40
Total Part-Time Hourly	0.29	0.29	0.29
TOTAL POSITIONS	40.29 *1	41.29 *3	40.29 *3

\*1 In addition, there are eleven positions provided by contract.

\*2 FY00-01 mid-year reclassification of Utilities Project Manager position to Senior Systems Analyst, FY01-02 transfer of this Senior Systems Analyst position from the Public Works Department Utilities Division.

\*3 In addition, there are thirteen positions provided by contract.

\*4 Mid-Year reclassification of one Accounting Technician position to Accountant I/II.

\*5 Mid-Year reclassification of Senior Buyer position to Supervising Buyer.

\*6 Mid-Year reclassification of Assitant Buyer and Storeskeeper/Buyer positions to flexibly staffed Assistant Buyer/Buyer.

\*7 Unfunded .50 Program Assistant position for Fiscal Year 2002-03.

\*8 Eliminated one Document Processing Technician I/II position.

**FINANCE AND ADMINISTRATIVE SERVICES  
DEPARTMENT SUMMARY**

<u>DEPARTMENT PROGRAMS</u>	<u>2000-01 ACTUAL</u>	<u>2001-02 ADOPTED</u>	<u>2002-03 ADOPTED</u>
Finance and Admin. Services Admin.	\$ 797,908	872,422	892,069
Financial Management	960,811	1,271,852	1,281,744
Accounting	486,641	527,930	517,422
Administrative Services	2,851,979	3,873,153	3,860,725
Risk Management	2,387,462	2,873,493	3,100,235
	<u>\$ 7,484,801</u>	<u>9,418,850</u>	<u>9,652,195</u>
<u>EXPENDITURE SUMMARY</u>	<u>2000-01 ACTUAL</u>	<u>2001-02 ADOPTED</u>	<u>2002-03 ADOPTED</u>
Salaries Wages and Benefits	\$ 2,902,170	3,648,224	3,804,998
Supplies and Other Services	4,547,643	5,752,626	5,787,297
Capital Outlay	20,492	0	42,000
Interfund Expenditures	14,496	18,000	17,900
TOTAL EXPENDITURES	<u>\$ 7,484,801</u>	<u>9,418,850</u>	<u>9,652,195</u>
<u>FUNDING SOURCES</u>	<u>2000-01 ACTUAL</u>	<u>2001-02 ADOPTED</u>	<u>2002-03 ADOPTED</u>
General Operating Fund	\$ 5,122,111	6,501,202	6,673,663
General Fund Reserve	0	155,000	0
Water	169,660	112,525	124,862
Workers Compensation Insurance	1,311,693	1,671,956	1,768,080
Unemployment Self-Insurance	17,317	67,250	67,250
Liability Self-Insurance	864,020	910,917	1,018,340
TOTAL FUNDING	<u>\$ 7,484,801</u>	<u>9,418,850</u>	<u>9,652,195</u>
<u>REVENUE SUMMARY</u>	<u>2000-01 ACTUAL</u>	<u>2001-02 ADOPTED</u>	<u>2002-03 ADOPTED</u>
Miscellaneous Revenue	\$ 47,320	10,000	5,000
Interfund Revenue Transfers	174,458	75,440	77,902
TOTAL REVENUES	<u>\$ 221,778</u>	<u>85,440</u>	<u>82,902</u>

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## FINANCE AND ADMINISTRATIVE SERVICES—ADMINISTRATION

### PROGRAM SUMMARY

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#### PROGRAM MANAGER—FINANCE AND ADMINISTRATIVE SERVICES DIRECTOR

#### PROGRAM MISSION STATEMENT

To plan, manage and direct the operations of the Finance and Administrative Services Department.

#### PROGRAM FUNCTIONS

- Plan, monitor and report in a timely and accurate manner the City's financial and budgetary position; provide financial analysis and recommendations on major issues facing the City.
- Manage the provision of centralized financial and administrative services and establish the goals, objectives and priorities of the department consistent with those of the City Council and City Manager.
- Provide analytical support and long-range financial planning to the City Council, City Manager's Office and other departments.
- Recommend and oversee management of City financial policies.
- Direct the City's audit program and resolution of audit findings.
- Oversee the development and provision of information systems in a manner consistent with the City's goals and priorities.
- Represent City interests to rating agencies, financial service providers and other outside parties.
- Represent the department and coordinate inter- and intradepartment communications and projects.
- Provide leadership in the continuous effort to improve the quality of services provided by the department.
- Oversee the City's portfolio management program, assuring policy compliance in all aspects.
- Manage budget and timely payments to General Fund nonprofit agencies and City-wide memberships in municipal organizations.



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## FINANCE AND ADMINISTRATIVE SERVICES—ADMINISTRATION

### PROGRAM SUMMARY

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#### MAJOR PROGRAM GOALS/STRATEGIES FOR FISCAL YEAR 2002-03

- Coordinate and manage preparation of Fiscal Year 2003-04 City budget.
- Complete implementation of financing plan for a new Downtown parking structure, including issuance of long-term debt.
- Complete implementation of financing plan for water system storage capacity expansion and other improvements by issuing debt as appropriate.
- Closely monitor and report on developments at the State and local level affecting City finances.
- In conjunction with the Employee Services Department, implement Phase I of the new HR/Payroll system.
- Manage adjustments to department operators in response to budget reductions.
- Participate in the evaluation and review of hotel/conference proposals for the Charleston East site.

#### MAJOR PROGRAM CHANGES

- General Operating Fund:

Professional Services and Miscellaneous Reductions (\$3,900)

Reduces overtime, miscellaneous professional services, training and travel budgets.  
*May affect timeliness of services.*

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**FINANCE AND ADMINISTRATIVE SERVICES - ADMINISTRATION  
PROGRAM SUMMARY**

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POSITIONS	2000-01 ADJUSTED	2001-02 ADOPTED	2002-03 ADOPTED
Finance and Administrative Svcs Director	1	1	1
Assistant Finance and Admin Svcs Director	1	1	1
Executive Assistant	1	1	1
Total Permanent	3	3	3
Total Part-Time Hourly	0	0	0
TOTAL POSITIONS	3	3	3

EXPENDITURE SUMMARY	2000-01 ACTUAL	2001-02 ADOPTED	2002-03 ADOPTED
Salaries Wages and Benefits	\$ 401,320	428,902	457,009
Supplies and Other Services	396,588	443,520	435,060
Capital Outlay	0	0	0
Interfund Expenditures	0	0	0
TOTAL EXPENDITURES	\$ 797,908	872,422	892,069

REVENUE SUMMARY	2000-01 ACTUAL	2001-02 ADOPTED	2002-03 ADOPTED
Miscellaneous Revenue	\$ 306	0	0
Interfund Revenue Transfers	1,350	0	0
TOTAL REVENUES	\$ 1,656	0	0

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**FINANCE AND ADMINISTRATIVE SERVICES - ADMINISTRATION  
PROGRAM SUMMARY**

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DETAILED EXPENDITURES

<u>PERSONNEL</u>	<u>2000-01 ACTUAL</u>	<u>2001-02 ADOPTED</u>	<u>2002-03 ADOPTED</u>
Salaries	\$ 348,108	373,307	395,639
Wages	90	0	0
Benefits	53,122	55,595	61,370
	<u>\$ 401,320</u>	<u>428,902</u>	<u>457,009</u>
<u>SUPPLIES AND SERVICES</u>	<u>2000-01 ACTUAL</u>	<u>2001-02 ADOPTED</u>	<u>2002-03 ADOPTED</u>
Materials and Supplies	\$ 22,058	20,270	20,270
Maintenance and Operations	0	50	0
Utilities	172	1,200	1,200
Professional/Technical Svcs	109,139	118,700	116,300
Other Expenses	265,219	303,300 *1	297,290
	<u>\$ 396,588</u>	<u>443,520</u>	<u>435,060 *2</u>

\*1 Includes increased funding of \$ 11,500 for Local Agency Formation Commission (LAFCO) dues, \$8,600 for Non-Profit Agencies and \$8,200 for League of California Cities dues; includes one-time rebudget of \$5,000 for Non-Profit Agencies.

\*2 Includes decreased funding of \$3,500 for miscellaneous maintenance, contracts, and training.

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## FINANCE AND ADMINISTRATIVE SERVICES—FINANCIAL MANAGEMENT PROGRAM SUMMARY

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### PROGRAM MANAGER—ASSISTANT FINANCE AND ADMINISTRATIVE SERVICES DIRECTOR

#### PROGRAM MISSION STATEMENT

To provide financial analysis support; manage the City's financial resources; process timely and accurate payroll, utility billings and quality customer service.

#### PROGRAM FUNCTIONS

- Manage the City budget process and produce the annual City budget.
- Manage investment of City funds with the objectives of meeting cash flow requirements and minimizing risk while earning market rates of return.
- Manage the City's debt obligations, including special assessment debt; recommend and supervise issuance of new debt as appropriate.
- Provide timely, accurate and cost-efficient payroll processing.
- Process and collect charges for utility and miscellaneous services, providing a high level of accuracy and customer service to residents and businesses.
- Forecast, monitor and report financial trends and developments.
- Provide analytical support to other departments.
- Monitor and review fees for City services.
- Manage public counter, cashiering functions and the processing of all City revenues.
- Issue business licenses and administer the City's business license ordinance.

#### MAJOR PROGRAM GOALS/STRATEGIES FOR FISCAL YEAR 2002-03

- Prepare the Fiscal Year 2003-04 City budget.
- Implement Phase I of the payroll/human resource system replacement project.

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FINANCE AND ADMINISTRATIVE SERVICES—FINANCIAL MANAGEMENT  
PROGRAM SUMMARY

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MAJOR PROGRAM CHANGES

- General Operating Fund:

Professional Services (S56,300)

Reduces outside professional services for arbitrage calculation (no longer required) and other miscellaneous professional services. Moves funding for hotel audits to one-time as needed. *May affect ability of department to respond to unforeseen needs. Frequency of hotel audits changed from 25.0 percent every year to 50.0 percent every other year.*

Miscellaneous Reductions (\$5,900)

Reduces overtime, supplies, temporary help, training and travel budgets. *May affect timeliness of services.*

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